

ENT1 4.06

Determine services to provide for customers

When a business determines which services to offer its customers, it should consider:



- The nature of the product
- What its customers want or need
- If the business has the available resources (e.g., personnel, financial) to provide the service
- the costs associated with providing the service

Determine services to provide for customers

Customized services are services that are developed to meet individual customer's needs and wants.

However, offering customized services does not save a business time. In fact, customized services take more time, not less.



Standardized services are services that are as homogeneous as possible.

Reasons for providing services for customers

Services have the ability to enhance the customers' overall satisfaction levels with the business. When satisfaction levels are high, the business is most likely to gain repeat business.



Increased sales volume, higher profit margins, and increased customer satisfaction are benefits associated with providing services to customers.

Determine the costs associated with providing services for customers

Businesses must determine how much each service they provide to customers will cost the business to provide.

Customized services are more expensive to offer than standardized services. Businesses charge higher prices for customized services, which can lead to higher profit margins.

Determine the costs associated with providing services for customers

Example:

When a business extends its operating hours, it must pay the employees to do the work. Therefore, the cost associated with extending business hours is the payroll expenses.



Steps for determining specific services to provide customers

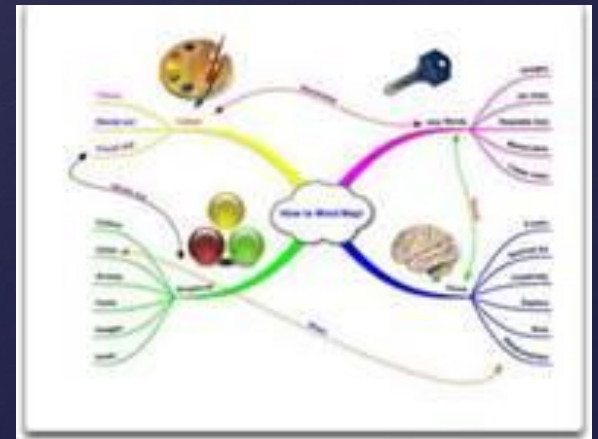
STEP 1: Using an idea-generation technique develop a list of possible services to provide to your customers.



Starbursting



Mind Mapping



Steps for determining specific services to provide customers

STEP 2: Conduct research to find out which services customers would like to receive from your business. For example, survey individuals who fit your target market description.



Steps for determining specific services to provide customers

STEP 3: Determine the approximate cost of providing each service that the members of your target market desire.

Hiring More Employees



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Steps for determining specific services to provide customers

STEP 4: Analyze research responses – review the input from your potential customers, the cost of each service, and the feasibility of offering each service



Steps for determining specific services to provide customers

STEP 5: Select the services that your business will provide to its customers.



Steps for determining specific services to provide customers

STEP 6: Determine methods to provide the services to your customers.



Create a chart that specifies each service, its cost, reasons to offer the service, and methods to provide the service to your customers.

Service	Cost	Reasons	Method
Extended hours	Payroll expenses; utility bills (electricity, water etc.)	Customer convenience	Open 24 hours; hire additional employees

ACTIVITY: Think of additional services that a business could offer and create a chart illustrating the service, cost, reasons, and method of delivery.

Procedures for determining services to provide customers

When considering the customers' needs and wants, the business should consider factors such as:

- convenience
- price
- consistency
- quantity

If time is a critical consideration, the business should develop services that provide the customers with convenience. Timesaving services include overnight delivery, online ordering options, and extended operating hours.

ACTIVITY

Activity to determine services to provide the customers of a school-based enterprise. Prepare a rationale for the group's choices, and present the recommendations to the class. Compare the groups' recommendations, and select the best ones to implement.

SBEs provide realistic and practical learning experiences that reinforce classroom instruction. SBEs can sell to consumers through a permanent location, a mobile kiosk or through Internet marketing. Products may include spirit wear, food and beverage items, school supplies, signs and banners and more, while other SBEs provide services such as creative design, advertising sales and more